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War Food Administration
Food Distribution Administration
Washington 25, D. C.

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Fruit and Vegetable Branch Memorandum No. 10

To: Regional Directors and Division Chiefs, Fruit and Vegetable Branch
From: C. F. Kunkel, Acting Chief
Subject: Fruit and Vegetable Surplus Removal and Price Support Programs

The purpose of this memorandum will be to define the responsibilities and assignments of the regional office and the Fruit and Vegetable Branch under surplus removal and price support programs for fresh and processed fruits and vegetables. For the purpose of clarity the criteria and relationships suggested in the memorandum will be set out under the following three major headings: (1) the general responsibilities of the Branch and the regions; (2) the specific functions and assignments of the region; and (3) the specific responsibilities of the Branch.

I. General Responsibilities of the Branch and Regions:

A. Fresh market purchases

General commodity purchase programs should be carried out in the same manner as Section 32 purchases as described in the Manual of Field Purchase Operation. That procedure should be followed by GCP programs as closely as possible and any major deviations therefrom should be cleared with the Branch in Washington before being made by the region. It is likely that modified policy and procedures will be needed in connection with some commodity purchase programs. In those instances, further instruction will be furnished to the region by the Branch.

B. Commodity processing activities

Field surplus removal and price support activities for processed fruits and vegetables will not readily lend themselves to the same arrangement as has been prescribed for fresh commodity purchases. It is necessary therefore to set out a few guiding principles to assist the Branch and the region in performing those functions.

As a general proposition, all contacts and negotiations with processors under these programs will be under the supervision of the regional director. However, the Branch in Washington will have the responsibility of specifying to the region the terms and conditions for all contracts which are executed in connection with processing fruits and vegetables under these programs on behalf of the government. This is necessary to coordinate this activity with regular supply programs handled by the Washington office.

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In the main, contracts will be entered into by the regional director, for the government, on the basis of terms and conditions furnished by the Branch in connection with a particular commodity and type of processing for designated area application. The Branch will issue Purchase Authorization covering the quantity, quality, price to be paid the processor, and other specific conditions of contract. The region will carry out negotiations with processors and execute contracts which are in accordance with the specifications of the Branch. Instructions as to the administrative handling of contracts will be set forth in Purchase Authorizations.

Frequently it will be necessary to make some adjustment in the general contractual terms set by the Branch in order to obtain the services and facilities of individual processors or a given class of processors. Where this is the situation the regions will furnish the Branch a complete report of the circumstances along with their recommendations as to contract conditions. The Branch, after consideration, will establish for the regional director the conditions under which the government should contract. The region will carry out any further negotiations with processors. The Washington office of the Branch should be immediately notified of all contracts to process commodities executed under price support and surplus removal programs.

Branch representatives in Washington may from time to time complete special arrangements with the regional offices to handle contract negotiations, cost audits, and field negotiations pertaining to regular supply programs. This information will be forwarded to Washington for review and contracts will be issued from the Washington office.

C. Modification of contracts

Any change, modification, or adjustment in the terms or conditions of any contract, whether initially executed by the Region or the branch, will be approved in the Region only after appropriate clearance by the Branch in Washington.

II. Specific functions and responsibilities of the regional office.

A. To keep Branch thoroughly informed of crop developments by areas of production.

B. To furnish the Branch with estimates of quantities of commodities that may be in distress by areas and marketing periods.

C. To prepare and submit recommendations with justification to support needed field purchase activities.

- D. To organize local committees of growers and, if necessary, committees of distributors, to assist in the administration and operation of surplus removal and price support programs.
- E. In accordance with the procedure established in Director's Memoranda, the Manual of Field Purchase Operation, and on the basis of the terms and conditions prescribed by the Branch, to consummate field purchases of fresh fruits and vegetables, and to make necessary contractual arrangements with processors to process commodities under surplus removal and price support programs.
- F. On the basis of plans which have been approved by the Branch, to prescribe conditions for delivery and disposition of commodities purchased and/or processed in the region..
- G. Where special price support consideration is necessary for individual processors, the Region will submit to the Branch a complete report of all the circumstances involved, and on the basis of terms and conditions furnished by the Branch for individual processing plants, the region will negotiate and contract for the government.

III. Specific functions and assignments of the Branch:

A. General programming

- 1. To receive and utilize information concerning crop development by areas of production furnished by the region and other sources.
- 2. To receive estimates of quantities of commodities that may be in distress by areas and marketing periods from the regions.
- 3. On the basis of national production and overall distribution problems to advise the regional director and furnish all possible aid and assistance in providing for orderly commercial marketing programs.
- 4. To perform all liaison work and obtain necessary clearance on the national level needed in connection with any field purchase and/or processing activity.

B. Field fresh market purchases

- 1. On the basis of proper justification and recommendation by the region to approve specific purchase activities for specific commodities. (Subject to Master Docket Section 32 funds and proper clearance on national level for all funds).
- 2. To prescribe and furnish to the regions the general and specific terms and conditions under which field purchases may be carried on.

3. To furnish the regional director such instructions, information and advice as may be necessary to assure efficient distribution, storage, processing or other disposition of purchased commodities.

C. Processing of commodities

1. Specify to the Regional Director quantities and other terms and conditions of contracts under which regions may provide for processing of commodities acquired under the surplus removal or price support program.
2. To provide general or specific terms and conditions, with price support consideration, as a basis for contracting with processors by the regions.
3. Provide region with necessary information in connection with storage and disposition of processed commodities.

IV. Industry Contacts and Correspondence:

To avoid duplication of effort and to minimize confusion it is imperative that all contacts with grower groups, processors, industry representatives, etc., or with State or local public agencies in the operation of surplus removal and price support programs should, as far as practicable, be made through the regional offices. There should be a free exchange of all correspondence in order that the Washington and regional offices can be kept currently informed of the program developed.

[Signature]
Acting Chief